

Audit Report of the accounts of Village Panchayat, Curtorim of Salcete Block for the year 2013-2014.

Part - I:

(1)-Name of Sarpanch – Smt. Valentina Braganza 1/4/13 to 31/3/14.

(2)-Name of Secretary:

1)Prabhakar Kamati	1/4/13 to 7/5/2013.
2)Custodio Faria	8/5/2013 to 22/5/2013.
3)Edvin Carvalho	23/5/2013 to 2/6/2013.
4)Prabhakar Kamati	3/6/13 to 11/2/14.
5)Dinesh Amonkar	12/2/14 to 2/3/14.
6)Prabhakar Kamati	3/3/14 to 31/3/14.

B)Name of Audit Party and their designation:

- 1.Mr.Walter D'Mello, Asstt. Accounts Officer.
- 2.Mr.Dilkush Shinde, Accountant.
- 3.Mr. Rajan Kotharkar, Accounts Clerk.

C)Date of Audit: 7/10/2014 and 8/10/2014.

D)Period covered by Audit: 01/04/2013 to 31/03/2014.

Part II – Introductory:

The audit of the accounts of Village Panchayat, Curtorim of Salcete Block for the year 2013-2014 was carried out by the Office of the Joint Directorate of Accounts, South-Branch, Margao under the supervision of Madhukar Kunkolienkar, Dy. Director of Accounts/Inspection, South Branch, Margao.

The Village Panchayat was sanctioned administrative grants to the tune of Rs.4,25,000/-.

Matching Grants.....Rs.4,25,000/-

Part – III – Comments on Accounts

The Village Panchayat is maintaining the accounts in form 1 to 10 as per Rule 20, 21(a) and 25 of the Goa Panchayat (accounts, audit and custody of funds) Rules 1997 comprising of the particulars of Income and Expenditure of all grants received i.e. administrative and developmental grants.

I – Summary of Accounts

a)Opening balance for the year 2013-2014	Rs.33,17,763.77
b)Receipts during the year 2013-2014	Rs.42,79,267.40
c)Expenditure during the year 2013-2014	Rs.37,47,660.00
d)Funds available with Panchayat as on 31/3/2014	Rs.38,49,371.17

Details of funds available

1) Government grants	Rs.10,63,427.00
2) EMD	Rs. 38,859.00
3) Security deposit	Rs. 14,916.00
4) Income Tax	Rs. -
5)Royalty	Rs. -
6)Vat	Rs. -
4) Panchayat fund	Rs.27,32,169.17
	Rs.38,49,371.17

The liabilities of the Panchayat.

The liabilities of the Panchayat are as follows:

1)EMD	Rs.38,859/-
2)Security Deposit	Rs.14,916/-

OFFICE OF V. K. CURTORIM
2919
11/3/2015
INITIALS

Value 4(10)-

II - Grants.

The details of grants sanctioned,utilized and unspent grants as on 31.3.2014 are as follows:

Sr. No	Types of grants	Open. Balance	Grants received	Grants utilized	Balances as on 31/03/14
1	Staff salary	-	-	-	-
2	Members salary	1,06,084/-	5,34,750/-	3,99,000/-	2,41,834/-
3	XIIIth Finance	3,273/-	1,70,273/-	-	1,73,546/-
4	GIA(Anganwadi)	8,10,000/-	-	8,10,000/-	-
5	Golden Jubilee(Dev)	2,597/-	-	-	2,597/-
6	PYKHA Sports	1,87,500/-	-	61,254/-	1,26,246/-
7	Grants for Garbage	-	50,000/-	27,979/-	22,021/-
8	G.I.A.(Works)	-	4,97,183/-	-	4,97,183/-
		<u>11,09,454/-</u>	<u>12,52,206/-</u>	<u>12,98,233/-</u>	<u>10,63,427/-</u>

It is seen that grants have remained unspent beyond the period of one year. Hence permission to utilize these grants beyond the stipulated period may be obtained failing which the same may be surrendered to the sanctioning authority.

III - Budget:

The Budget estimate and the actual income and expenditure for the year 2013-14 are as follows:

	<u>Income</u>	
<u>Budget estimate</u>	<u>Actual</u>	<u>Variation</u>
Rs. 73,41,600	42,79,267.40	Rs.30,62,332.60
<u>Revised estimate</u>	<u>Actual</u>	Variations
Rs. 71,60,000/-	Rs.37,47,660.00	Rs.34,12,340.00

Budget was approved vide Resolution No.6 dated 15/2/2013. It is observed that the variation between actual income/expenditure and budget estimate are huge. The actual income is only Rs.42.79 lakhs as against the budgeted income of Rs.73.41 lakhs (i.e. only 58.28% of the budgeted income) similarly budgeted expenditure is Rs.71.60 lakhs, whereas the actual expenditure is only 37.47 lakhs (which is only 52.33%) of the budgeted expenditure). Therefore, the budget prepared by the V.P. is fictitious/imaginary which would render the whole process meaningless. Hence, the budget prepared by V.P. should be more realistic. It appears that the Panchayat is not serious about the audit. In future care may be taken while preparation of budget.

IV - - Current Audit:

Section A (a) Introductory:

(b) Outstanding paras of previous audit upto 2013 -14.

The position of outstanding paras of previous audit are as follows

Sr. No	Year	Opening balance	Paras dropped	Balance paras as on 31/03/14
1.	1964-65	1	----	1(para 6)
2.	1970-71	1	----	1(para 11(2))
3	1972-73	1	----	1(para 10)
4	1978-79	1	----	1(para 1)
5	1982-83	1	----	1(para 6)
6	1985-86	1	----	1(para 9)
7	1988-89	1	----	1(para 9)
8	1991-92	2	----	2(para 1 and 4)

13	2009-10	2	--	2(Para 2,(vr2),11 (c)(4)
14	2010-11	14	10	4(para 2(sr.1 & 2)11(a)(b),12,13(1)
15	2011-12	15	13	2(para 10,15(b)

Audit Report 2012-13:

Para 1 – Cash Book - Dropped & commented.

Para 2 – Details of closing balance -do-

Para 3 – Demand, collection & arrears of taxes -do-

Para 4 (a) – Construction Licences -do-

(b)-Illegal Constructions: -do-

Para 5 – Rentals -do-

Para 6 – Market auction -do-

Para 7 – Surety Bond by V. P. Secretary -do-

para 8 – Annual Action Plan -do-

Para 9 – Constitution of Committees -do-

Para 11 – Works Sr.No.1 to 8 – Maintained.

Para 12 – Maintenance of Registers.

(a) **Pay Bill Register** – Dropped.

(b) **Property & assets Register**, dropped.

(c) **Court case Register** - Dropped & commented.

(d) **Security deposit/EMD Register** -do-

Para 13(a) – Service Book & Leave accounts -do-

(b)Salary Reserve Fund. -do-

(c)Reserve fund for pensionery benefit -do-

(d) – Provident fund -dropped.

Para 14 – General (a) Departmental Inspection: - Maintained.

(b) – Gramsabhas – Dropped.

(c) –Admn.Report – Dropped.

Para 15 – Vouchers -Sr.No.1 to 13 – Dropped.

Para 16 – Miscellaneous (a) Wasteful expenditure by V.P.: - Dropped.

Para 1(a)- Financial Position: - Financial position of the Panchayat is not sound as evident from the details of closing balance. The closing balance as per Cash Book as on 31/3/2014 is Rs.38,49,371.17 out of which Rs.27,32,169.17 are Panchayat fund. The Village Panchayat can invest more amount in fixed deposit and increase revenue by way of interest. Action may be taken immediately in this regard and compliance reported to audit.

Para 2(b) – Cash Book:

The closing balance of the Village Panchayat as on 31/3/2014 is Rs.38,49,371.17. The details of closing balance is as follows:

Sr.No.	Name of the Bank	A/c No.	Balance as per		Difference
			Cash Book	Pass Book	
1	Central Bank of India	3114736100	185163.00	1,85,163.00	-
2	State Bank of India	32333192924	207523.00	2,07,523.00	-
3	Central Bank	2090337193	2013410.70	20,13,410.70	-
4	Madgaum Ur.Co.Bank	SB/4295	262684.22	2,62,684.22	-
5	Central Bk. of India	2090386130	988023.00	9,88,023.00	-
6	Central Bank of India	3072625439	191548.00	1,91,548.00	-
7	HDFC Bank	50100035576312	1006.00	1,006.00	-
8	Cash in hand		13.25		
			<u>38,49,371.17</u>		

Observation on Cash Book:

1)Overwriting and use of white fluid is strictly prohibited on Cash Book.

2)Each entry in Cash Book is not attested by V.P.Secretary.

Para 3 – Demand, collection and arrears of taxes:

The position of taxes collected arrears outstanding as on 31/3/2014 are as follows:

4	Cycle tax	16,203.00	140/-	140/-	16,203.00
5	Adv. tax	17,440.00	3,240/-	690/-	19,990.00
6	Cart tax	582.00	30/-	-	612.00
		<u>13,50,565.75</u>	<u>8,87,560/-</u>	<u>9,81,909.40</u>	<u>12,56,216.35</u>

The revenue collected in respect of various taxes is only 43.87% of the opening balance and current demand. Panchayat is not making any efforts in collecting/recovering the huge amount of outstanding taxes. Panchayat should, therefore, put on vigorous efforts in recovering these taxes from defaulters by invoking the provisions of Panchayat Raj Act.

Para 4 (a) – Construction Licences: V. P. Curtorim have issued 57 construction licences and collected an amount of Rs.5,40,930/- towards licence fee for the year 2013-14. All files have been verified and fees charged are found to be in order.

(b)-Illegal Constructions: This register is not maintained by the V.P. As per the information produced to audit there are 26 illegal constructions pending with the Panchayat. This register may be maintained and progress made in this regard may be intimated to audit.

Para 5 – Rental:

V. P. Curtorim has leased its two premises to BSNL and one to Veterinary Office. They have also leased one premises to Electricity Dept. This year i.e. 2013-14. The rent collected and rent outstanding is as follows:

Sr.No.	Name of lessee	Op.Bal.	Cur.demand	Collection	Bal.as on 31/3/14
1	Telephone Dept.(BSNL)	4,078/-	48,936/-	36,702/-	16,312/-
2	-do-	4,005/-	24,000/-	12,000/-	16,005/-
3	Veterinary Sub-Centre	20,140/-	12,720/-	-	32,860/-
4	Electricity Dept. –	<u>1,07,200/-</u>	<u>80,400/-</u>	<u>93,800/-</u>	<u>93,800/-</u>
		<u>1,35,423/-</u>	<u>1,66,056/-</u>	<u>1,42,502/-</u>	<u>1,58,977/-</u>

V.P. Curtorim may initiate immediate action to recover the outstanding arrears of rent by presenting a pre-receipted bill to the concerned departments. Veterinary Sub-Centre has not paid any rent for the year 2013-14. Fresh lease may be extended with the Veterinary Office after re-valuation by processing the same to PWD. Progress made in this regard may be intimated to audit.

Para 6 – Market Auction:

The Public Auction for collection of fees from Market melas, fairs, festivals and pig slaughter was held on 22/3/2013 vide auction notice No.VPC/2012-13/3166 dated 15/3/13. The initial bid for market auction was fixed at Rs.1,00,000/- whereas for pig slaughter, the initial bid was Rs.8000/-. In response to auction notice 11 persons participated in the market auction. The highest bid offered by Shri Agnel Luis amounting to Rs.3,00,000/- was accepted by the Panchayat. The total bid amount has been full paid as per the terms and conditions of auction notice. Nine persons participated in the pig slaughter auction. The highest bid offered was by Shri Agnel Luis amounting to Rs.13000/-. The total amount was paid by the bidder.

Para 7 – Surety Bond by V. P. Secretary:

V.P. Secretary has not furnished the surety bond as required under Section 4(3) of Goa, Panchayat Rules 1999. The same may be obtained now and produced to audit.

Para 8 – Annual Action Plan: V.P. Curtorim have prepared a development plan as required under Section 238 of Goa Panchayat Act, 1994 and submitted the same to Zilla Panchayat.

Para 9 – Constitution of Committees: The V. P. have constituted the following Committees.

- 1)Supervisory Committee.
- 2)Vigilance Committee.
- 3)Standing Committee.
- 4)Development Committee.

have not executed any works during the year 2013-14.

b) Property and assets register: One register is maintained for Immovable and movable property. Separate pages may be allotted for them. A dead stock register may be maintained for dead stock items.

c) Court Cases Register: There are no Court cases pending with this V.P.

d) Security Deposit/EMD Register: The Security Deposit outstanding as on 31/3/2014 is Rs.14916/-. The EMD outstanding as on 31.3.2014 is Rs.38,859/-.

Para 13(a) – Service Books and leave account. The Service Books and leave account were checked and are found to be updated but service verification of V.P. staff has not been done.

(b) Salary Reserve Fund: V.P. has invested an amount of Rs.10 lakhs as salary Reserve during the year 2013-14.

(c) Reserve fund for pensionary benefits: V.P. shall reserve two and half percent (2.5%) of their income as reserve fund for contributing provident fund and pensionary benefits to the staff working in Panchayat as required under clause 4(4) of notification dated 2/11/2006. This may be done immediately.

(d) Provident Fund: All the staff of V.P. Curtorim are contributing to E.P.F. w.e.f.2012.

Para 14 – General:

(a) Departmental Inspection: BDO has conducted one inspection and EO(VP) has conducted inspections during the year 2013-14.

(b) Gramsabhas: V.P. have conducted 4 ordinary gramsabhas and 6 special gramsabhas during the year 2013-14.

(c) Administrative Report: The Panchayat have prepared the administrative report and submitted the same to BDO and copy endorsed to audit.

Para 15 – Vouchers: All vouchers were verified and were found to be in order.

NOTE: Inspection Report has been prepared on the basis of information furnished and made available by the Secretary of V.P. Curtorim, Goa. The Office of the Jt. Director of Accounts, South Branch, M disclaims any responsibility for any misinformation and/or non-information on the part of the audit


Dy. Director of Accounts/I